

# US jobs data sends mixed signals

Last week saw US stocks display varied performance as momentum slowed somewhat. Investors portrayed concern in relation to elevated valuations, with many large cap US stocks having outperformed in recent weeks. Tuesday saw the release of S&P Global's US composite PMI which measures both manufacturing and services activity. The composite figures showed that business activity expanded to 52.5 in February, higher than consensus estimates of 51.4 and the 13th consecutive month of expansion. On Wednesday, Fed Chair Jerome Powell testified to the US Congress, giving investors further insight regarding monetary policy in the process. Powell was received by the market as having been generally less hawkish, stating that the Federal reserve was "not far" from having the confidence that inflation is on a sustainable downtrend, which would allow policymakers to begin cutting rates.

The most anticipated economic release of the week came on Friday, with the release of the Bureau of Labor Statistics' monthly jobs report. Results were relatively mixed, as some measures displayed conflicting implications. The headline non-farm payrolls figure showed that the US economy added 275,000 jobs in February, far higher than estimates of 198,000. Figures from January however were downgraded by a substantial 167,000. The retrospective downgrade of January's figures overshadowed February's growth somewhat, whilst unemployment ticked upwards unexpectedly to 3.9% from 3.7%, the highest level in over two years.

In Europe, the ECB elected to keep its main policy rate unchanged at 4.0%. With ECB President Christine Lagarde commenting that although there has been "good progress" towards the central bank's 2.0% inflation target, policymakers would need to be more confident before cutting rates.

In Asia, last week saw the beginning of China's National People's Congress, wherein the Chinese government set its economic growth target of roughly 5% and budget deficit of 3% for this year. The event also saw the announcement of several policy measures to support the Chinese economy. The market however reacted poorly, with many commentators noting a lack of tangible measures in place to meet said targets.

## Fact of the Week

The Cryptocurrency Bitcoin reached a record high of \$70,000 last week. Bitcoin, which has shown highly volatile price movements since its inception, has increased by 215% in the past year.

Our regular market information continues on the next page.

## Snapshot



World Equities  
Corporate Bonds  
Sovereign Bonds

Gold  
Copper



Oil

## The week ahead

|        |                                                    |
|--------|----------------------------------------------------|
| 12 Mar | US CPI figures go to print.                        |
| 13 Mar | Eurozone Industrial Production figures are issued. |
| 14 Mar | US Retail Sales figures are released.              |



|                 | 1 Week Return<br>04.03.24 to 11.03.24 |       | Year to Date Return<br>31.12.23 to 11.03.24 |       |
|-----------------|---------------------------------------|-------|---------------------------------------------|-------|
|                 | Local Currency                        | Euro  | Local Currency                              | Euro  |
| World           | 0.5%                                  | -0.6% | 6.9%                                        | 7.8%  |
| U.S.            | -0.2%                                 | -1.4% | 7.5%                                        | 8.4%  |
| Europe          | 1.5%                                  | 1.5%  | 6.6%                                        | 6.6%  |
| Ireland         | 1.8%                                  | 1.8%  | 14.4%                                       | 14.4% |
| U.K.            | 0.0%                                  | 0.6%  | 0.1%                                        | 1.9%  |
| Japan           | 0.5%                                  | 1.4%  | 16.6%                                       | 12.7% |
| Hong Kong       | -0.4%                                 | -1.4% | -6.9%                                       | -6.4% |
| Corporate Bonds | 0.9%                                  | 0.9%  | -0.3%                                       | -0.3% |
| Sovereign Bonds | 1.9%                                  | 1.9%  | -0.4%                                       | -0.4% |

### Equities

- Global stocks were down last week by -0.6% in euro terms and up 0.5% in local terms.
- Year-to-date global markets are up by 7.8% in euro terms and by 6.9% in local terms.
- The U.S market, the largest in the world, finished down -1.4% in euro and -0.2% in local terms.

### Fixed Income & FX

- The U.S. 10-year yield finished at 4.1% last week. The German equivalent finished at 2.3%. The Irish 10-year bond yield finished at 2.7%.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP finished at 0.85.

### Commodities

- Oil finished the week at \$78 per barrel and is up 9.9% year-to-date in euro terms.
- Gold finished the week at \$2,179 per troy ounce and is up 6.6% year-to-date in euro terms.
- Copper finished the week at \$8,487 per tonne.

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